

EXHIBIT D
(Standard Agreement)

SPECIAL TERMS AND CONDITIONS

1. Travel and Per Diem

Contractor's programmatic-related travel costs and per diem reimbursement rates shall not exceed the amounts established by the State Department of Personnel Administration Rules and Regulations, Section 599.619, dated July 1, 1997, and as amended from time to time.

2. Conflict of Interest

A. Contractor certifies that its employees and the officers of its governing body shall avoid any actual or potential conflicts of interest, and that no officer or employee who exercises any functions or responsibilities in connection with this Agreement shall have any personal financial interest or benefit that either directly or indirectly arises from this Agreement.

B. Contractor shall establish safeguards to prohibit its employees or its officers from using their positions for a purpose that could result in private gain or that gives the appearance of being motivated for private gain for themselves or others, particularly those with whom they have family, business, or other ties.

3. Insurance and Fidelity Bond

A. General Requirements

1) Third-Party Insurance

a. By execution of this Agreement, Contractor agrees that the below-required insurance policies and bond shall be in effect at all times during the term of this Agreement.

b. Contractor shall provide the State with written notice at least 30 calendar days prior to cancellation or reduction of insurance coverage to an amount less than that required in this Agreement.

c. In the event said insurance coverage expires at any time or times during the term of this Agreement, Contractor agrees to provide at least 30 calendar days prior to said expiration date a new Certificate of Insurance (ACORD 25) evidencing insurance coverage as provided for herein for not less than the remainder of the term of this Agreement. The Certificate of Insurance (ACORD 25) shall identify and name the State as the Certificate Holder. The issuance of other CSD contracts, to include reimbursement payments, to the Contractor may be contingent

EXHIBIT D
(Standard Agreement)

upon required current insurance coverage being on file at CSD for this Agreement.

- d. New Certificates of Insurance are subject to review for content and form by CSD.
- e. In the event Contractor fails to keep in effect at all times the specified insurance and bond coverage as herein provided, the State may, in addition to any other remedies it may have, suspend this Agreement.
- f. With the exception of workers' compensation and fidelity bond, the State shall be named as additional insured on all certificates of insurance required under this Agreement.

2) Self-Insurance

- a. When Contractor is a self-insured governmental entity, the State, upon satisfactory proof, may waive the appropriate insurance requirements upon written certification. An appropriate county or city risk manager shall sign this certification that shall contain assurance of the adequacy of the governmental entity's ability to cover any potential losses under this Agreement.
- b. Contractor shall specify in writing a list of which coverage(s) will be self-insured under this Agreement and shall list all applicable expiration dates or policy numbers.
- c. Should Contractor utilize a subcontractor(s) to provide services under this Agreement, Contractor shall indemnify and hold the State harmless against any liability incurred by that subcontractor(s).

B. Labor Code Section 3700/Workers' Compensation Insurance

- 1) Contractor shall have and maintain for the term of this Agreement workers' compensation insurance issued by an insurance carrier licensed to underwrite workers' compensation insurance in the State of California.
- 2) Unless a current copy is on file with CSD, Contractor shall submit either an applicable Certificate of Insurance (ACORD 25) or a Certificate of Consent to Self-Insure issued by the Director of the Department of Industrial Relations to the State as evidence of compliance with the workers' compensation insurance requirement prior to issuance of an initial cash advance.

EXHIBIT D
(Standard Agreement)

C. Fidelity Bond

- 1) Contractor shall maintain a fidelity bond in the minimum amount of eight percent of the total amount of consideration set forth under this Agreement.
- 2) Contractor shall submit an applicable Certificate of Insurance (ACORD 25) to the State as evidence of compliance with the fidelity bond requirement prior to issuance of an initial cash advance.

D. General Liability Insurance

- 1) Contractor shall have and maintain for the term of this Agreement general liability and property damage insurance for a combined single limit of not less than \$500,000 per occurrence.
- 2) Unless a current copy is on file with CSD, Contractor shall submit an applicable Certificate of Insurance (ACORD 25), naming CSD as an additional insured, to the State as evidence of compliance with general liability insurance requirements prior to issuance of an initial cash advance.

E. Vehicle Insurance

- 1) Contractor shall have and maintain for the term of this Agreement vehicle insurance in the amount of \$500,000 for each person and each accident for bodily injury and in the amount of \$500,000 for each person and each accident for property damage.
- 2) When employees use their own vehicles to perform duties within the scope of their employment, Contractor shall have and maintain for the term of this Agreement nonowned and hired-auto liability insurance in the amount of \$500,000 for each person and each accident for bodily injury and \$500,000 for each person and each accident for property damage. (Driving to and from work is not within the scope of employment.)
- 3) Unless a current copy is on file with CSD, Contractor shall submit an applicable Certificate of Insurance (ACORD 25), designating CSD as an additional insured, to the State as evidence of compliance with said vehicle insurance requirements prior to issuance of an initial cash advance.

EXHIBIT D
(Standard Agreement)

4. Subcontracts

Contractor may enter into subcontract agreement(s) to carry out the provisions of this Agreement.

5. Applicability of Provisions to Subcontractors

- A. Contractor may subcontract with other nonprofit community-based organizations for the purpose of this Agreement. Each subcontractor that enters into a subcontract agreement shall be required to adhere to the terms and conditions contained in this Agreement.
- B. Should Contractor enter into any subcontract agreements(s), Contractor shall remain liable for the performance of the subcontractor(s). Contractor shall provide to the State the names, addresses, contact persons, and a program description of the subcontracted activity(ies) to be performed under this Agreement within thirty (30) calendar days of contract execution.
- C. Contractor shall immediately notify all of its subcontractor(s) in writing of changes to contract provision(s) or in the event the State terminates and/or suspends this Agreement.
- D. Contractor is the responsible party, without recourse to the State, regarding the settlement and satisfaction of all contractual and administrative issues arising out of subcontract(s) entered into in support of this Agreement, including disputes, claims, or other matters of a contractual nature as well as civil liability arising out of negligence or intentional misconduct of subcontractor(s).

6. Contractor's National Labor Relations Board Certification

Contractor hereby certifies under penalty of perjury that no more than one final unappealable finding of contempt of court, by a Federal Court, has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of a Federal Court that orders Contractor to comply with an order of the National Labor Relations Board (Public Contract Code § 10296) (not applicable to public entities).

7. Termination for Cause, Suspension, Cancellation, and Disqualification from Eligibility

A. Termination for Cause

The State may terminate this Agreement and be relieved of any payments should the Contractor fail to perform the requirements of this Agreement at the time and in the manner herein provided. In the event of such termination, the State may proceed with the work in any manner deemed proper by the State. All costs to the

EXHIBIT D
(Standard Agreement)

State shall be deducted from any sum due the Contractor under this Agreement and the balance, if any, shall be paid to the Contractor upon demand.

B. Suspension

- 1) The State may, upon reasonable written notice to Contractor or subcontractor, suspend this Agreement in whole or in part. In the case of Contractor's fraud or gross negligence, suspension without prior notice by the State is permissible.
- 2) If Contractor has failed to comply with the material terms of this Agreement, the State shall:
 - a. Notify the Contractor in writing by certified mail or personal service;
 - b. Specify the effective date of the suspension;
 - c. Specify the reason for the suspension and what corrective action is expected;
 - d. Give a specified period of time in which to take corrective action; and
 - e. Inform the Contractor that if the corrective action is not taken within the specified time frame, the State will terminate this Agreement.
- 3) A suspension shall remain in effect until Contractor has taken corrective action satisfactory to the State.
- 4) New obligations, including costs for goods, services, or related expenses, incurred by Contractor under this Agreement during the suspension period will not be allowed unless expressly authorized by the State in the notice of suspension.

C. Cancellation

- 1) The State may terminate upon thirty (30) calendar days written notice to Contractor. Such notice shall be delivered to Contractor in writing, stating the reason(s) for termination and the effective date thereof.
- 2) Upon termination of this Agreement, CSD, unless expressly granted in writing, shall not pay Contractor for any obligations incurred after the effective date of such termination.

EXHIBIT D
(Standard Agreement)

D. Disqualification from Eligibility

Contractor shall be ineligible to receive funding for this program if any officer or employee of the Contractor who would be involved in the administration of grant funds has been convicted of a criminal offense related to the administration of grant funds.

8. Contractor Assurances and Certifications

A. Contractor assures that its governing body has adopted and passed a resolution specific to this Agreement that shall be forwarded to the State and that includes, at a minimum, the following provisions:

- 1) Authorization for the submittal to the State of this Agreement, including all exhibits and assurances contained herein;
- 2) The name and original signature of the chairperson of the board; the date signed by the chairperson; and, if applicable, the date the resolution was ratified by the board of directors;
- 3) Authorization to and identification of the person/position certified as the official representative of the governing board to sign and enter into this Agreement;
- 5) Authorization to and identification of the person certified as the official representative of the governing board to enter into and accept any amendments to this Agreement and revisions to exhibits; and
- 6) Identification of the contract number and program.

B. Payee Data Record

Contractor certifies that a Payee Data Record (Std. 204) is on file with CSD. The terms and conditions of the Std. 204 shall have the same force, meaning, effect, and enforceability as if a certification were separately, specifically, and individually provided for each grant between Contractor and CSD.

C. Federal Certification Regarding Debarment, Suspension, and Related Matters

Contractor hereby certifies to the best of its knowledge that it or any of its officers:

- 1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency;

EXHIBIT D
(Standard Agreement)

- 2) Have not within a three (3) year period preceding this Agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- 3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph 2 of this certification; and
- 4) Have not within a three (3) year period preceding this Agreement had one or more public (federal, state, or local) transactions terminated for cause or default.

D. Equipment/Lease Purchase

- 1) Contractor shall request prior authorization in writing and receive approval from CSD before the Contractor being reimbursed for any purchase order or subcontract exceeding \$2,500.00 for any articles, supplies, equipment, or services. Contractor shall provide in its request for authorization all particulars necessary for evaluation of necessity or desirability of incurring such cost and the reasonableness of the price or costs. Contractor shall submit three competitive quotations or provide adequate justification for absence of bidding.
- 2) Contractor shall maintain books, records, documents, and other evidence pertaining to the reimbursable costs and any matching costs and expense and hold them available for an audit and inspection by the State for three years.
- 3) Contractor shall specifically reserve title to CSD for State-purchased or State-financed property that is not fully consumed in the performance of this Agreement, even when the property is purchased in whole or part by federally supplied funds (absent a federal requirement for transfer of title).
- 4) Contractors shall prepare and submits a CSD 558, Request for Purchase/Lease Approval, form to CSD prior to commencing purchasing/leasing activities.

EXHIBIT D
(Standard Agreement)

- E. Contractor agrees to comply with terms and condition of the 2004 Naturalization Services Program Request For Application (04-RFA-08). The contractor's response to the application is made part of this Agreement.

9. Right to Monitor, Audit, and Investigate

- A. Contractor agrees that the awarding department, the Department of General Services, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Contractor agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonable have information related to such records. Further, Contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement (Government Code § 546.7, Public Contract Code § 10115 et seq., California Code of Regulations Title 2, § 1896).

Contractor shall comply with the above and be aware of the penalties for violations of fraud and for obstruction of investigation as set forth in Public Contract Code § 10115.10.

- B. The federal, state, or duly authorized representative of the State government shall have the right to undertake investigations in accordance with 42 USC 9908 et seq., as amended.
- C. All agreements entered into by Contractor with audit firms for purposes of conducting independent audits under this Agreement shall contain a clause permitting the State or a duly authorized representative of the state or federal government access to the working papers of said audit firm(s).

10. Drug-Free Workplace Requirements

Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

1. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.
2. Establish a Drug-Free Awareness Program to inform employees about:
 - a) the dangers of drug abuse in the workplace;
 - b) the person's or organization's policy of maintaining a drug-free workplace;

EXHIBIT D
(Standard Agreement)

- c) any available counseling, rehabilitation and employee assistance programs; and,
 - d) penalties that may be imposed upon employees for drug abuse violations.
3. Every employee who works on the proposed Agreement will:
- a) receive a copy of the company's drug-free workplace policy statement; and,
 - b) agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Contractor may be ineligible for award of any future State agreements if the department determines that any of the following has occurred: (1) the Contractor has made false certification, or violated the certification by failing to carry out the requirements as noted above. (GC 8350 et seq.)

11. Americans with Disabilities Act

Contractor assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)

12. Contractor Name Change

An amendment is required to change the Contractor's name as listed on this Agreement. Upon receipt of legal documentation of the name change the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.

13. Partisan Political Activities

- A. Contractor shall be prohibited from all political activities if they involve the use of any funds that are the subject of this program or any other funds, programs, projects, or activities that originate from this program.
- B. Contractor shall be prohibited from any activity that is designed to provide voters and prospective voters with transportation to the polls or to provide similar assistance in connection with an election or any voter registration activity if such activities involve the use of any funds that are the subject of this program.
- C. Contractor shall refrain from all lobbying activities if they involve the use of any funds that are the subject of this program or any other funds, programs, projects, or activities that originate from this program.

EXHIBIT D
(Standard Agreement)

14. Internal Control Certification

Contractor shall ensure the establishment and maintenance of a system of internal accounting and administrative control. This responsibility includes documenting the system, communicating system requirements to employees, and assuring that the system is functioning as prescribed and is modified, as appropriate, for changes in conditions. The system of internal accounting and administrative control shall include:

- A. Segregation of duties appropriate to safeguard state assets;
- B. Limited access to agency assets to authorized personnel who require these assets in the performance of their assigned duties;
- C. Authorization and recordkeeping procedures adequate to provide effective accounting controls over assets, liabilities, revenues, and expenditures;
- D. Established practices to be followed in performance of duties and functions;
- E. Personnel of a quality commensurate with their responsibilities; and
- F. Effective internal reviews.

15. Expatriate Corporations

Contractor hereby declares that it is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code Section 10286 and 10286.1, and is eligible to contract with the State of California.

16. Corporate Qualifications To Do Business in California

- A. When Agreements are to be performed in the state by corporations, the contracting agencies will be verifying that the contractor is currently qualified to do business in California in order to ensure that all obligations due to the state are fulfilled.
- B. "Doing business" is defined in R&TC Section 23101 as actively engaging in any transaction for the purpose of financial or pecuniary gain or profit. Although there are some statutory exceptions to taxation, rarely will a corporate contractor performing within the state not be subject to the franchise tax.
- C. Both domestic and foreign corporations (those incorporated outside of California) must be in good standing in order to be qualified to do business in California. Agencies will determine whether a corporation is in good standing by calling the Office of the Secretary of State.

EXHIBIT D
(Standard Agreement)

17. Union Organizing

Contractor hereby certifies that no request for reimbursement, or payment under this agreement, will seek reimbursement for costs incurred to assist, promote or deter union organizing.

18. Domestic Partners

Commencing on July 1, 2004 Contractor certifies that it is in compliance with Public Contract Code section 10295.3 with regard to benefits for domestic partners. For any contracts executed or amended, bid packages advertised or made available, or sealed bids received on or after July 1 2004 and prior to January 1, 2007, a contractor may require an employee to pay the costs of providing additional benefits that are offered to comply with PCC 10295.3.

19. Air or Water Pollution Violation

Under the State laws, the Contractor shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

20. Forms

CSD shall provide masters of the budget form and reporting forms, and Contractor shall duplicate them for future use.